

CHAPTER 6

CONVENTIONAL AMMUNITION ACQUISITIONA. GENERAL ACQUISITION POLICIES AND GUIDELINES

1. Purpose and Scope. This chapter establishes general policies and procedures for coordinating acquisition planning. It also addresses processing Military Interdepartmental Purchase Requests (**MIPRs**) within the **SMCA**. It applies to all Government agencies who process requests for conventional **ammunition** (as defined in DoD Directive 5160.65) through the **SMCA**.

NOTE : All references to the different types of customer requests, i.e., Purchase Orders, shall be hereafter referred to as **MIPRs**, except when otherwise addressed for explanation or emphasis.

2. Acquisition Policies. The FAR with DoD FAR Supplement, is the governing acquisition regulation that replaced the Defense Acquisition Regulation and states general contracting policies for procuring of conventional ammunition by the **SMCA**.

a. If there are conflicts between this chapter and the FAR, the FAR with DoD FAR Supplement shall apply.

b. Advance acquisition plans are prepared with the assistance of Military Services. In this connection, the Military Services shall endeavor to:

(1) Prevent acquisition of unnecessary data, services or materiel, and ensure the acquisition of required items in time to serve their intended purposes.

(2) Construct customer required delivery dates (according to **DD** Form 2358) to allow sufficient lead time for delivery of end items into customer accounts. **SMCA** provided lead times are based on realistic, fact of life procurement lead times (per item) as noted in the procurement lead time block of **DD** Form 2358.

(3) Provide funds and requirements to the **SMCA** according to established schedules and identify any special requirements when submitting acquisition planning documents or **MIPRs** to the **SMCA**.

c. The PCO should be advised prior to visits to **COCO** and **GOCO** facilities. The Production Manager should be advised prior to visits to **GOGO** facilities. Only the PCO (or the authorized PCO representative) has the authority to make **commitments/obligations** to the contractor. Recommendations for changes of any type that may affect, or that may be perceived to affect, the contractual relationship between the Government and the contractor **MUST** be processed and contractually implemented by the SMCA PCO.

3. Acquisition Planning and Coordinating Concept

a. The SMCA uses planning information submitted by the customer to determine the number of producers required to support production and production base requirements, to plan for out-year acquisition, and to plan for acquisition of items scheduled for transition in later **fiscal** years. Information such as pricing history, required quantities, suggested sources of supply/services, budgetary information, and mobilization base requirements are essential.

b. Once the SMCA has consolidated, developed, and formalized the acquisition plan, copies shall be furnished to the Services. Service coordination of the developed acquisition plan may be undertaken by the resident liaison officers.

B. ACQUISITION PLANNING (DD FORM 2358)

This section identifies the responsibilities and explains the procedure for exchanging acquisition planning data and budget submissions between the customer and **SMCA**. It describes the Conventional Ammunition Acquisition Plan (CAAP), **DD Form 2358** (figure 6-1), and explains its use. These planning procedures apply to the planning and budgeting activities of the Services.

NOTE : Before preparing and submitting **DD Form 2358** to SMCA, the customer shall coordinate with other Services to determine if customer requirements can be supported by stock transfer. If another Service agrees to support such requirements, submission of **DD Form 2358** will NOT be required.

1. How to Fill Out the **DD Form 2358**. The following instructions briefly describe the entries for each block of the **DD Form 2358**. The **customer** fills out blocks 1. through 15., part of **block 19.**, and block 20. The SMCA completes blocks 16. through 18., part of block 19., and blocks 21. through 35., and part of block 19. The **DD Form 2358** may be locally produced.

Figure 6-1.
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CONVENTIONAL AMMUNITION ACQUISITION PLAN										1. SUBMISSION DATE (YYMMDD)		REPORT CONTROL SYMBOL MIL (AR)1684													
2. CUSTOMER				3. POM PERIOD		4. BUDGET LEVEL				5. STANDARD STUDY NUMBER		6. SERVICE CODE NUMBER													
CONTROL NUMBERS ASSIGNED (Prior FY)						b. ASSIGNED (Current FY)		c. ASSIGNED (Budget FY)		B. TOP AVAILABILITY a. DATE (YYMMDD)		b. SOURCE													
DODIC		10. KSN		11. NOMENCLATURE				12. MODEL NUMBER		13. UNIT OF MEASURE															
		a. PRIOR FY		b. CURRENT FY		C. BUDGET FY		d. 1st FY		e. 2nd FY		f. 3rd FY		g. 4th FY		h. 5th FY									
4. QUANTITY																									
5. RISK						(1) HIGH (2) LOW (3) MODERATE		(1) HIGH (2) LOW (3) MODERATE		(1) HIGH (2) LOW (3) MODERATE															
6. UNIT PRICE (S or N)																									
7. ESTIMATED TOTAL COST (Millions)																									
8. SOURCE																									
9 DESIRED DELIVERY SCHEDULE (BUDGET OR 1ST POM FY)																									
MONTH		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP	
Y _____																									
Y																									
Y _																									
20 REMARKS																									
21 ACQUIRING AGENCY				22. CONTROL NUMBER (For Subsequent FY)		23. TRANSITION DATE		24. MINIMUM PROCUREMENT QUANTITY (MPQ)		25. MINIMUM SUSTAINING RATE (Units per month)		26. MAXIMUM PRODUCTION RATE (Monthly)													
27. UNIT PACK		28. PALLET PACK		29. LEADTIME		30. IN PRODUCTION		31. MPQ (Total Buy Each FY)		32. DELIVERY SCHEDULE		33. DATE FUNDS REQUIRED													
				a. ADMIN b. PDN		a. W/OPTION b. W/O OPTION		a. YES		a. APPROVED															
								b. NO		b. SEE CHANGE															
34. DRAWING NUMBERS				35. REMARKS																					
a ROUND																									
b. INTERPACK																									
c. OUTERPACK																									
d. PALLET DATA																									
e. OTHER																									

Table 6-1

Instructions for Completing DD Form 2358,
"Conventional Ammunition Acquisition Plan"

- | | | |
|----|-----------------------------------|---|
| a. | Block 1. - Submission Date: | Self-explanatory. |
| b. | Block 2. - Customer: | Self-explanatory. |
| c. | Block 3. - POM Period: | Indicate POM period being covered; that is, the 5 program years. |
| d. | Block 4. - Budget Level: | Level of funding covered:
The customer may use this block to identify funding level used in construction of the program. |
| e. | Block 5. - Standard Study Number: | SSN (optional). |
| f. | Block 6. - Service Code Number: | Military Service Code Number -- for internal use by the customer to aid in item identification. Use is optional. |
| g. | Block 7. - Control Numbers: | Enter control number previously cited by the SMCA where the quantities have not changed. |
| | (1) Block 8a.: | Assigned control number for prior FY. Applicable to December 15 submission only . |
| | (2) Block 8. b.: | Assigned control number for current FY. |
| | (3) Block 8.c.: | Assigned control number for budget FY. |
| h. | Block 8. - TDP availability: | Anticipated date (block a.) of data package availability of execution next FY program and the developing agency (block b.). |

- i. Block 9. - **DoDIC:** Department of Defense Identification Code. (If not available, use temporarily assigned **DoDIC** or leave blank and explain in block 20., Remarks).
- j. Block 10. - NSN: (If NSN is not available, show the FSC Code and explain in block 20., Remarks).
- k. Block 11. - Nomenclature: Show complete item name in sufficient detail to identify properly the requested item.
- l. Block 12. - Model Number: Show model number of requested item. If item is being improved or modified and improved model is requested, show the X model number or model number with "E" interfix.
- m. Block 13. - Unit of Measure: Show Unit of Materiel Management Code (DoD 5000.17-M) that applies to requested quantities in block 14., such as EA (each), RO (roll), SH (sheet), and the like.
- n. Block 14. - Quantity: Show quantity requested or required under each FY. Relate to unit of measure identified in block 13. Do not round off and do not use multiple units such as hundreds or thousands.
- o. Block 15. - Risk: For the budget **FY** and the 2 subsequent FYs, identify **degree** of risk, as defined in subsection **B.3**, below, by placing an "X" in the appropriate **block**. FYs are identified according to table 6-2.

Table 6-2.

<u>FY REQUIREMENT QUANTITIES</u>		
<u>Block 15. Headings</u>	<u>Military Service Proposed FYDP Update December 15 (83)</u>	<u>Military Service Approved POM Update May 1 (84)</u>
Prior FY	FY 83	FY 84
Current FY	FY 84	FY 85
Budget FY	FY 85	FY 86
1st FY	FYDP 1	POM 1
2d FY	FYDP 2	POM 2
3d FY	FYDP 3	POM 3
4th FY	FYDP 4	POM 4
5th FY	FYDP 5	POM 5

- p. Block 16. - Unit Price (S/N):
- The SMCA will show Unit Price in dollars and cents for each year that a requirement is shown. An "S" indicates the price is standard. An "N" indicates the price is not standard.
- q. Block 17. - Estimated Total Cost (Millions):
- The SMCA will show total program costs for each year a requirement is shown. Costs will be shown in millions of dollars, rounded to three decimal places.
- r. Block 18. - Source:
- The SMCA shall complete this block using one of the following:
- RP - Retention of inventory or sale from procurement.
- CP - Customer unique item, sale from procurement (not stocked or purchased for Army).
- RS - Retention of inventory; sale from stock; and replace in kind.

RM - Replacement and modernization of Army inventory - major item sales. Item sold from inventory requires replacement with modern version of same basic model or acceptable substitute item against same AAO in requirements computation.

AM - Augmentation and modernization of Army inventory (major items sales to **non-FMS** customer when replacement is not required within requirements of the **FYDP** in effect at the time of sale.)

NOTE: Leave blank if required quantity is available from Army stock on a nonreimbursable or a trade basis. Include appropriate remarks in block 35.

s. Block 19. - Desired **Delivery**
Schedule: " The customer shall show the desired delivery schedule for the budget FY (December 15 submission) or for the 1st FY of the POM (1 May submission). The SMCA shall approve the schedule, by annotating block 32., or modify block 19. schedule, as appropriate.

t. Block 20. - Remarks: This block shall be used by the customer to identify any special information related to the requirements, such as:

(1) Special technical data.

(2) Comments regarding availability/certification of the **data** package.

(3) Identification of Transportation Packaging Order.

(4) Planned application of Service-owned assets against Service type **MIPRs**.

(5) Comments regarding the inflexibility of the desired delivery schedule.

(6) The part number of the required item when one stock number applies to more than one part number.

(7) Special packing, packaging, and **palletizing** provisions.

u.	Block 21.	- Acquiring Agency:	Identifies the SMCA or other agency that is currently managing the item.
v.	Block 22.	- Control Number:	Assigned by the SMCA .
w.	Block 23.	- Transition Date:	Date item recently has transitioned or is scheduled for transition to SMCA control.
x.	Block 24.	- Minimum Procurement Quantity:	MPQ.
y.	Block 25.	- Minimum Sustaining Rate:	MSR shown in units per months.
z.	Block 26.	- Maximum Production Rate:	Maximum monthly production rate for peacetime operations using the existing Production Base producers.
aa.	Block 27.	- Unit Pack:	Number of units per unit pack.
ab.	Block 28.	- Pallet Pack:	Number of units or number of unit packs per pallet.
ac.	Block 29.	- Lead time:	Required procurement lead time, as required by blocks 29a. and 29b.
ad.	Block 30.	- In Production:	Enter "Yes" or "No," as appropriate under w/opt (with option) or w/o opt (without option). For example, if an item is in production without contract options, enter "No" under w/opt and "Yes" under w/o opt.
ae.	Block 31.	- MPQ (Total Buy Each FY)	Determine if the total of all customer orders for each FY is greater than the MPQ cited in block 24. Check "Yes" or "No," and explain as necessary in block 35.

- af. Block 32. - Delivery Schedule-: Indicate if the delivery schedule as shown in block 19. is approved, or annotate the required changes in block 19. as necessary.
- ag. Block 33. - Date Funds Required: Indicate the date the MIPR must be received by to meet the requested, approved, or modified delivery schedule.
- ah. Block 34. - Drawing Numbers: Current drawing numbers for requested NSN or Model number. This block is to be completed by the SMCA only as specifically requested by the customer:

- (1) Block a. - Round
- (2) Block b. - Interpack
- (3) Block c. - Outerpack
- (4) Block d. - Pallet data

(5) Block e. - Other, such as alternate pallet configurations, top drawing number, etc.

- ai. Block 35. - Remarks: This block may be used to identify any special information related to the requirement, such as:

- (1) Reason for adjustment in desired delivery schedule.
- (2) Requirements for additional technical information.
- (3) **Comments** regarding previously coordinated actions affecting minor changes, such as rounding to nearest unit pack.
- (4) Identification of opportunities to coordinate customer programs through adjustment to bring about more economical buys.

2. Planning Acquisition of Transitioned Items to Support Service Requirements

a. Customers shall initiate a **DD** Form 2358 for each item of conventional **ammunition** planned for acquisition and state the level of risk, associated with funding, for the budget year and the following 2 fiscal years using one of the following categories:

(1) Low Risk - The item is a requirement for which there is little or no doubt the funding will be received.

(2) Moderate Risk - The item is a requirement for which there is a 50/50 change of receiving funds.

(3) High Risk - The item is a requirement for which funding is questionable.

b. Customers shall prepare **DD** Form 2358 twice each year and mail it to the following **SMCA** address:

Commander
U.S. Army Armament, Munitions
and Chemical Command
ATTN : **AMSMC-DSD-PS**
Rock Island, IL 61299-6000

Changes to the President's Budget shall be sent to the SMCA by 10 August. These forms reflect the FYDP input proposed by each customer. The other submission shall be sent to the SMCA by 1 May or as soon thereafter as possible, reflecting the Service approved POM. The latest submission shall reflect the risk assessment (as defined above) for the budget year and following 2 fiscal years.

c. ~~The~~ SMCA shall complete appropriate portions of the **DD** Form 2358 **and return** it to the customers within 30 days of the date received.

d. The SMCA shall aggregate all Service requirements submitted on the **DD** Form 2358 and publish a consolidated list within 15 days after return of the 1 May submission to the customers. This list shall show levels of risk assigned by the Services, standard prices for the next fiscal year, and the POM prices for the following 2 years.

e. The SMCA shall provide (in writing as soon as possible) any information that may have impact upon customers' planned acquisition or deliveries. Updated data shall be provided in at least the following situations:

(1) Production problems that may cause program **slippage**.

(2) Product Improvement Programs (PIPs) that cause program slippage.

(3) Changes in the planned acquisition of one or more customers that **will** affect out year programs. The SMCA shall include the magnitude of the change, out year acquisition plans of the customers involved (if known), and the minimum procurement quantity (**MPQ**) of the item.

(4) Development of a backlog in deliveries, for any reason, that could prevent delivery of requested items within the funded delivery period.

(5) Any decision that affects the production base, such as closing a line after completing a production run, or a one-time or final buy of components.

(6) Any other situation that impacts the customer's ability to justify an item in their budget for the budget year, such as slippage of type classification date.

(7) When customer requirements are being held for additional funds or other funding problems, such as lack of matching funds or obligation authority.

f. For each budget year, the SMCA shall assign a control number in blocks 7 and 22 of each **DD** Form 2358 received; and, a suffix code will be added to the control number, by the **SMCA**, on all subsequent submissions of the form. The customer shall cite this number when later requirements are submitted.

g. Customers shall cite the SMCA assigned control number on the front **page** of initial **MIPRs**. This signifies that the price and availability data have been furnished by the **SMCA**.

h. The SMCA shall develop budget support documents (P-21, P-22, P-22a, and P-24) and furnish them to the customer with the **DD** Form 2358 package.

i. To assist in advance planning and to develop standard prices for items not in production, customers will submit "as is" DL/ADL, pricing history, and data packages upon request of the SMCA.

j. Customers may submit unfunded planning **MIPRs** after receiving **DD** Form 2358 providing price and availability. Planning **MIPRs** must cite the control number assigned to the **DD** Form 2358.

3. Planning Acquisition of Items to be Transitioned During the Budget Year. Refer to Chapter 2 of this manual for information concerning transition planning.

4. Pricing Concepts for Procurement by the SMCA

a. The financial mechanism used by the SMCA to procure conventional ammunition for the Services is the CAWCF (see section F., below). The CAWCF uses two pricing concepts, a standard price and a nonstandard (actual cost incurred) price.

(1) The standard price is based on the following policies:

(a) Standard prices shall be used to budget for and execute Procurement Appropriation programs for all the Services for ammunition end items and components procured through the CAWCF.

(b) Standard prices, including all applicable surcharges, shall be developed by the SMCA.

(c) Standard price is defined as the unit price for a given ammunition item (developed by the CAWCF) for the apportionment hearing. It is subject to adjustment only for cost variances of 10 percent or more before acceptance of the order. Authorized adjustments after acceptance of the order are discussed in subparagraph B.4.a.(d), below. The SMCA shall publish the CAWCF standard price list within 15 days after returning the 1 May DD Form 2358 submission to the customers reflecting the standard prices of items and components for the following fiscal year.

(d) The standard price at which the order is accepted shall be the unit billing price charged to the Services unless an authorized price adjustment is subsequently made. Authorized price adjustments are based on the following:

1 Costs differing more than 10 percent or one million dollars, from estimates based on the standard prices, shall trigger a review and the Services shall be notified. The review shall result in a management decision to either absorb the variance in the CAWCF or adjust the price, except that funds that exceed the 10 percent or one million dollars may be withdrawn by the Service.

2 Customer-directed changes that trigger variations of 5 percent are also the basis for review and possible revision of the standard price.

(e) Standard prices, as quoted by the SMCA and subject to any adjustments defined in subparagraph B.4.a.(d), above, shall become the unit price for distributing funds from the Services to the CAWCF, except for those adjustments made according to subparagraph B.4.a.(d), above.

(f) Gains or losses to the **CAWCF** shall be reflected by adjustments to the surcharge in later year prices.

(9) Walk-in orders (requirements not identified in the President's Budget) received from the Services and other Government agencies shall be accepted at standard price. The standard price is determined at the time a price is provided to a customer.

(h) Budget line items shall be accepted by the **SMCA** during the execution year at the established standard price until 31 July of that year. Any order received on 1 August or later shall be priced and accepted at the next year's standard price.

(i) The **SMCA** shall attach a complete price breakout to requests for **P&A** if the new estimated price is more than 10 percent greater than the accumulated inflation indices, since the price quoted on the last request for price and availability. The breakout is to permit customer review and only applies when FY buy quantities are comparable.

(2) The nonstandard (actual cost incurred) price shall apply to:

(a) Items not yet transitioned to the **SMCA**, **LRIP** items that are procured by the **SMCA** **FMS** items, and coproduction/direct sales items. The nonstandard price shall include the actual cost incurred for procurement, production, and delivery of the end item or component. Standard prices for recently transitioned items shall be set only after an adequate price history has been developed. This usually requires one complete production run of the item.

(b) **ILP** orders. In addition to the costs identified above, actual costs for **ILP** orders shall include all other applicable costs such as asset use, unfunded costs, rental, nonrecurring production, **RDT&E**, **DCAA** and **DCAS** charges, and **COR QA** charges.

b. The standard price shall consist of:

(1) **LAP**, component, interim transportation for other than one-line items, and support costs, including proof and acceptance and quality assurance established from current contract prices, historical data, and financial files as applicable.

(2) Engineering costs for Army-developed items.

(3) Surcharges. Surcharges shall be set up for each budget for a specific task. Administrative surcharges shall be applied to all items in the **CAWCF**. These surcharges shall be used to recoup the cost incurred by the **CAWCF** in performing the specified tasks and shall be

adjusted each year for gain or loss. The loss/gain of each surcharge and the projected surcharge for the following year shall be provided to the Services.

(a) Operating surcharge reflects the gains or losses accumulated each year on LAP and hardware costs in the **CAWCF**.

(b) Administrative surcharge covers all other related costs, such as maintenance of industrial stocks and packing, crating, and handling associated with manufacturing and delivery; **but**, headquarters management support functions, are excluded.

(c) The Services shall be involved in the **decision** for applying surcharges to out-year programs.

5. Submitting Procurement Appropriation Budget Documentation.
Service budget submissions shall be coordinated with the **SMCA**.

6. **Unforecast** Service Requirements and ILPs

a. Before notifying or providing P&As to the **SMCA** to support ILPs **or FMS** cases, the Military owning Service screens its assets to determine if the requirement can be satisfied from organic stocks. The Military Service shall advise the **SMCA** as soon as possible when an unforecasted requirement develops that cannot be satisfied from Military owning Service stocks. Before sending a MIPR for **an unforecast** requirement, the customer shall send the SMCA a message or letter requesting price and availability. The request must include at least the following information:

(1) NSN and **DoDIC**, if known, as well as any other data that will identify the item, such as part number, specification/standard, model number, or nomenclature.

(2) Quantity required.

(3) Country and case designator, if the requirement is for a foreign government.

(4) For items that have not been purchased in recent years, any available information that may help in developing of a price estimate, such as the date of the last contractual action, known production sources, and method of manufacture, etc.

b. The **SMCA** shall normally provide price and availability information to the customer within 30 days after receiving the request. If unusual circumstances (such as no purchase history available, no known production sources, or no technical data available) preclude a response within 30 days, the SMCA shall give the customer a projected date when the final reply may be expected. If a customer

needs the response to an urgent requirement in less than 30 days, the required date must be stated in the request.

c. The SMCA response to a request for estimated price and availability shall include at least the following information:

(1) NSN and **DoDIC**.

(2) Quantity.

(3) Country and case designator, if applicable.

(4) Estimated unit price and pertinent qualifying remarks. If the quantity requested is below MPQ, planning and review data shall be given. This estimate is for planning purposes only and shall not be binding on the U.S. Government. In addition, the following information shall be provided:

(a) An MPQ price.

(b) A date as **to when MPQ** accumulations expected to occur and the corresponding price.

(c) Recommended alternatives to satisfy the requirement.

(5) Estimated **avail**ability. This is the length of time from receiving the MIPR or requisition until transferring the required item to the customer or shipping the item to the destination.

(6) Appropriate explanatory remarks if price and availability cannot be furnished.

(7) A control number. This is assigned by the SMCA to each requirement in the request. Customers shall cite the control number on the face of the resulting **MIPRs** or as exception data in the case of **MILSTRIP** requisitions. Failure to cite the assigned control number may delay the processing of the MIPR or requisition.

(8) Expiration date of price and availability.

d. Price and availability information prepared by the SMCA in response to Air Force price and availability requests shall be sent to OO-ALC/MMWD/PMDM. Information copies shall be sent to HQ, **USAF/PRI**, and HQ, **AFLC ILC/00**. The same routing applies to the notification in subparagraph **B.6.c.(4)** (b), above, when circumstances preclude response within 30 days.

C. RESPONSIBILITIES FOR PRECISION COMPONENT ACQUISITION

1. The DoD Precision Component Work Loading Center. The HQ, **AMCCOM**, Precision Component Work Loading Center (**AMSMC-IRP** (R)), Rock Island, IL) shall:

a. Approve orders for precision cut and bobbed **pinions** and gears.

b. Ensure the precision cut and bobbed pinions and gears production base is work loaded according to the objectives of its charter.

2. The Acquiring Agency. The acquiring agency shall:

a. Ensure that requests for proposal, invitations for bid, requests for quotation, and similar initiating documents include **the** requirement for approving of the DoD Precision Component Work Loading Center before contractors place orders for precision cut and bobbed pinions and gears.

b. Ensure an appropriate clause requiring approval of the DoD Precision Components Work Loading Center is included in contracts before orders are placed for precision cut and bobbed pinions and gears.

D. THE MILITARY INTERDEPARTMENTAL PURCHASE REQUEST. This section describes how the *Services* and the SMCA process **MIPRs**.

1. Responsibilities for Processing **the MIPR**

a. The customer Service shall:

(1) Route incoming AUTODIN transactions to internal managers or directly to ADP systems as appropriate. The AFSC/Armament Division is excluded from this requirement.

(2) Ensure timely submission of shipping instructions on extraordinary requirements that may affect production schedules, to permit the SMCA enough time to coordinate deliveries according to the procedures in subsection D.3. below.

b. The SMCA shall:

(1) Supply documentation to the customer as follows:

(a) MI LSCAP shipment performance notice (**SPN**) sets only for:

1 End items that can be delivered directly to the customer supply account from a **commercially** owned, commercially operated production facility.

2 Customer requirements that are specifically identified to contract or subcontract line items. These SPN sets shall contain the SMCA contract number in the **MILSCAP** PJJ card format and show the customer **MILSTRIP** document number. The PJJ information on shipments will be input in the SMCA computer to provide the SMCA and customers with current production, acceptance, and shipment status.

(b) For items delivered from Government facilities, appropriate **MILSTRIP** transaction documents shall be provided as materiel is moved resulting from customer **MILSTRIP** requisitions, either to the ultimate destination or into the customer ownership code in the **SMCA** field service account.

(2) The SMCA shall maintain an appropriate system of supply status reporting to keep the customer informed of the progress of items being acquired or produced. Monthly reports will be generated **as** on the end of each month and shall identify priority **MIPRs**. In addition, the report shall include: requirement schedule, current forecast schedule, quantity made available, and reasons for delays in mutually agreed upon delivery schedule and corrective action taken *or* required to reconcile the problem(s). Report formats may be in either the manual or **ADP** format, as agreed on by the SMCA and the customer.

2. How the Customer Prepares and Submits **MIPRs**

a. The customer shall submit 10 copies of the Purchase Orders/**MIPRs to the SMCA**. *Advanced planning **MIPRs shall be prominently marked*** (in 1/2 inch letters) "**ADVANCE MIPR**" and should include a statement essentially as follows: "FY () funds apply to this requirement, and no obligation may be incurred until FY () funds availability has been certified." These unfunded Purchase **Orders/MIPRs** enable the SMCA to accomplish advanced planning and acquisition actions to short of contract award for low risk items. The SMCA shall make every effort to complete all possible short of contract award actions on all low risk items/components for which advanced planning Purchase Orders/**MIPRs/DD** Form 2358 have been submitted. Each Purchase **Order/MIPR** must be limited to one item (major end item, component, or material), and when feasible, should total the customer's annual requirements. Exceptions to this general guidance should comply with DOD FAR Supplement 8.7008-1(c). Another exception is when the Service is providing funds for components for renovation; i.e., many lines are acceptable on a **MIPR** provided that only one NSN is cited. In all cases, block 9 of the **MIPR** must show that a DoD-wide asset review has been started or completed, as appropriate, to comply with the Defense Utilization Manual. Each **MIPR** for materiel must include:

(1) Control number and NSN with **DoDIC**.

(2) Part number, drawing number, or ADL number with Federal Manufacturer's Code.

(3) Nomenclature.

(4) Specifications/standards.

(5) Priority designator.

(6) Shipping instructions.

(7) Quantity. (NOTE: The SMCA shall be promptly notified of all quantity changes that affect the Purchase **Order/MIPR.**)

(8) Unit price and total dollars.

(9) The date funding is expected at the **SMCA**, if applicable.

(10) SSN (optional).

(11) Any other information pertinent to the requirement.

b. Amendments submitted to fund advanced **MIPRs** must include the appropriation, signal, and fund codes.

c. Funded **MIPRs** submitted **to support** Service requirements not previously requested on advanced **MIPRs**, must use the information required by paragraphs 2a. and **2.b.**, above. Urgent funded **MIPRs** may be submitted via message; however, when this method is used, hard copy Purchase **Orders/MIPRs** must be forwarded to the SMCA within 30 calendar days. If the requirement is of an urgency that requires use of procedures under FAR 3.302-2, Unusual and Compelling Urgency, complete justification must be provided that conclusively states the consequences if the requirement(s) is not satisfied by a certain date.

d. The procurement lead time, assigned by the SMCA to the particular **commodity** shall be used when preparing **MIPRs**, except when required delivery is less than lead time away.

e. When rapid delivery is essential, the MIPR shall be **prominently** marked in 1/2-inch letters with the word "URGENT" and annotated with **MILSTRIP** Priority 01 thru 06. Impact assessment and justification must accompany **MIPRs**, attachment, or amendments (as stated in subparagraph **2.c.**, above) in order for the SMCA to take appropriate action to expedite the acquisition process according to" established procedures.

figure 6-19

REQUEST FOR INITIAL OR AMENDED SHIPPING INSTRUCTIONS				1. DATE PREPARED (YYMMDD)		2. TYPE REQUEST (X one)		REPORT CONTROL SYMBOL MIL(AR)1685	
						a. INITIAL (ISI)			
						b. AMENDED (ASI)			
TO (Complete mailing address, including office symbol and ZIP code)				4. FROM (Complete mailing address, including office symbol and ZIP code)					
MIPR		6. NATIONAL STOCK NUMBER (P/us DODIC)		7. NOMENCLATURE			B. CONTRACT		
NUMBER	b. LINE ITEM						a. NUMBER		b. LINE ITEM
SHIP TO		10. DOCUMENT (Shipping Directive No.)		11. ADDRESS CODE (Ship to)	12. QUANTITY TO BE SHIPPED	13. PRI	14. RDD	15. CONTROL NUMBER	
6 REMARKS					17. DEDUCT FROM (AS/On/y)				
					18. TOTAL DIRECTED THIS REQUEST				
					19. TOTAL DIRECTED CONTRACT LINE ITEM				
					20. BALANCE LEFT TO DIRECT				

3. MIPR Shipping Instructions

a. Each MIPR must show at least one **MILSTRIP** document number for recording shipments or receipts applicable to the MIPR and to facilitate automated billing. If desired distribution instructions are needed on the **MIPR**, the customer shall provide a separate document number for each destination together with a quantity, supplementary address, and **MILSTRIP** priority.

b. For FMS and GA items, show a **MILSTRIP** document number, supplemental address, and quantity. The "In the **Clear**" address shall be shown if the fourth position of the **MILSTRIP** document number (Card Column 33) is "zero," or Card Columns 46 and 47 show XW. The FMS case number, consisting of the second and third positions of the document number and the last three positions of the supplementary address, must be shown on **all** copies of contractual delivery documents.

c. Revised shipping and delivery schedules shall be processed by the customer and the SMCA 40 days before production acceptance. Verbal and message shipping instructions shall be used only in emergency situations and must be confirmed within 5 working days by providing an official shipping instruction or **MIPR** amendment referring to the informal authorization. Electrical transmission of shipping instructions **shall** be according to **MILSTRIP** procedures or sequenced like the **DD** Form 2352 (figure 6-2). Included are contract and line number. Local reproduction of **DD** Form 2352 is authorized. The following instructions briefly describe how the customer completes the entries for each block of the **DD** Form 2352.

Table 6-3. Instructions for Preparing **DD** Form 2352, "Request for Initial or Amended Shipping Instructions"

(1) Block 1 - Data Prepared:	Self-explanatory.
(2) Block 2 - Type Request:	Check applicable block to indicate initial shipping instructions or amended shipping instructions.
(3) Block 3- To:	Enter in-the-clear address to which the form is being sent.
(4) Block 4- From:	Enter in-the-clear address of initiating activity.
(5) Block 5- MIPR :	Enter the MIPR number (block a) and line item (block b) to which the request refers.

- (6) Block 6 - National Stock Number: Enter the complete 13-digit NSN, plus 4-digit **DoDIC**.
- (7) Block 7 - Nomenclature: Enter the nomenclature shown in the **MIPR**.
- (8) Block 8- Contract: Optional. Enter the contract number (block a) and **CLIN** (block b), if known.
- (9) Block 9- Ship to: Enter the in-the-clear address to which the materiel is to be shipped.
- (10) Block 10- Document: Enter the 14-digit **shipping** directive number.
- (11) Block 11 - Address Code: Enter the address code to which the materiel is to be **shipped**.
- (12) Block 12 - Quantity To Be Shipped: Self-explanatory.
- (13) Block 13- PRI: Enter the assigned Issue Priority Designator consistent with the Force/Activity Designator and the urgency of need designator.
- (14) Block 14- RDD: Enter the numeric calendar day of the year in which the materiel or item is required at destination **(RDD)**.
- (15) Block 15- Control Enter the eight-digit control number contracted as follows:
(a) Last five digits of MIPR number.
(b) Two-digit serial number applicable to shipping directives issued against this **MIPR**.
(c) One letter alphabetical character to indicate number of line on this particular ASI or ISI.

(16) Block 16 - Remarks:	Self-explanatory.
(17) Block 17 - Deduct From:	Enter the document number from which this quantity is to be deducted (ASI only).
(18) Block 18 -Total Directed This Request:	Indicate the total quantities being directed on ASI or IS1.
(19) Block 19 - Total Directed Contract Line Item:	Indicate quantity directed against this MIPR line item to date.
(20) Block 20 - Balance Left to Direct:	Indicate quantity against this MIPR line that has not been directed. (This block normally should be -0-.)

4. Acquisition Support to the International Logistics Program (ILP)

a. Acquisition to support any ILP requirement, either FMS or GA, shall be accomplished by separate MIPRs. Structure and format of these **MIPRs** will comply with this section and clearly identify the MIPR as an **ILP order**. These MIPRs represent purchases for foreign governments and normally contain special instructions relating to processing, packaging, and delivery. Additionally, the funding provisions on these **MIPRs** represent agreements made between the U.S. Government and the country involved. They permit very limited variation in execution. If price increases are required, the time for response must be extended to permit coordination and acceptance by the country. ILP requirements should be consolidated for the same item on one MIPR submission per year. If this is impractical, increases in quantity may be accomplished by MIPR amendment, providing such action is acceptable to the **SMCA**. If a MIPR **amendment is** not acceptable, the customer must submit a new **MIPR**.

b. The SMCA will accept ILP **MIPRs** from customers in accordance with DoD 7290.3-M. If the SMCA must give a qualified acceptance because of design instability or anticipated production difficulties, the SMCA will accept the MIPR at the best possible estimated cost. Whenever possible, the SMCA will set prices before the start of actual production to minimize the number of price adjustments and later renegotiation of prices with the FMS customer..

c. Requests for price and availability information shall specify that materiel is required for a foreign government. Reference to the request must be made on the resulting MIPR for all **non-U.S.** Government

requirements to allow the SMCA to identify the unfunded, indirect, and nonrecurring costs (DoDD 2140.2) that are properly "chargeable to non-Federal Government (FMS) customers."

5. Submitting Technical Information

a. The customer shall, in coordination with the Developing Agency, ensure delivery of DL/ADL and technical data packages to the SMCA, at least 7 months prior to the planned obligation (for the long lead time component) in order to facilitate SOA processing early on for the execution year beginning the following 1 October. If this procedure is not possible, the customer should complete block 8 on DD Form 2358. It should be understood that late receipt of technical information may result in a corresponding delay of contract award. The customer can recertify a data package or portion thereof being used by the SMCA for current acquisition or for production of the identical item in the succeeding FY by a statement to that effect on the MIPR or MIPR amendment. Chapter 4, contains recertification procedures.

b. The AMCCOM Engineering Support Directorates shall establish and maintain a due-in/receipt record for DL/ADL and data packages.

(1) If the SMCA has not received DL/ADL and technical data package within 30 days of the required date, the delivery schedule on the MIPR acceptance document will be subject to renegotiation.

(2) The SMCA will return funded Purchase Orders/MIPRs to the customer if DL/ADL and technical data packages are not received within 120 days of MIPR acceptance, unless other formal agreement is reached.

c. Customers shall submit DL/ADL and technical data packages to:

Commander
U.S. Army Armament, Munitions and Chemical Command
ATTN: **SMCAR-ESC-R**
Rock Island, IL 61299-6000

6. Acceptance of MIPRs. Within 10 days of receiving a MIPR or MIPR amendment, the SMCA shall formally accept or reject the MIPR by preparing a DD Form 448-2. If this time limit cannot be met, the SMCA shall inform the customer of the reason for the delay and of the anticipated date the MIPR will be accepted. When accepted, the completed DD Form 448-2 is the authority to start acquisition action. The SMCA remains responsible for the MIPR, although that agency may break the MIPR into segments for actions among other contracting activities.

a. If the customer-required delivery schedule on urgent MIPRs cannot be met, the SMCA shall inform the customer immediately by electrical transmission of the reason for the delay and the anticipated revised delivery date. The SMCA shall follow up this action with a revised DD Form 448-2.

b. Nonstandard price items. If, after acceptance, the price cannot be maintained, the SMCA must coordinate with the customer. When the SMCA requires additional funds to complete acquisition, the request for additional funds must identify the exact item involved, number of items that can be acquired within existing funds, the reasons why additional funds are required, and the date additional funds are required. Reasons or rationale for additional funding shall include (as applicable) direct labor increases, overhead increases, and material increases. If the requested funds are urgently required, the reason shall be specified to provide the customer with justification for special handling of the increase. The customer shall, within the time specified, provide such funds by preparing an amendment to the MIPR or advise that quantitative requirements must be reduced. The customer shall advise the SMCA if a delay in furnishing the required additional funds is encountered and forecast the date actions will be completed. The **SMCA** shall not commit, obligate, or expend funds against a customer MIPR that would exceed the total funds committed on the MIPR without prior written approval and subsequent MIPR amendment through the office managing the **MIPR**.

c. The SMCA shall not deviate from the requirements of the MIPR without prior written approval of the customer.

d. The cutoff date for funded MIPR acceptance at the standard price for the execution year is 31 July. Funded **MIPRs** received after that date shall be accepted using the next year's standard price, pending receipt of a MIPR amendment from the customer. Customers must prominently mark **all MIPRs** citing expiring funds with the statements "EXPIRING FUNDS." Obligation required prior to (date)," using 1/2 inch letters. The **SMCA** will only accept those **MIPRs** on which funds can be obligated within the life of the expiring appropriation. If there is a possibility funds will not be placed on contract by the SMCA (prior to expiration), the **SMCA** must notify the customer 180 days before the **expiration date** of the funds, if possible. Each 30 days thereafter, the SMCA shall provide the customer updated status until the funds have been obligated by the SMCA or withdrawn by the customer.

-7. Citation of MIPR and MILSTRIP Document Number. All contract modifications and related documentation resulting from **MIPRs** shall cite the MIPR number and **MILSTRIP** document numbers, as applicable.

8. Distribution of Contracts. The **SMCA** shall provide copies of the solicitations, contracts, and modifications to the customer as specified in the **MIPR**.

9. Changes to or Termination of the MIPR "

a. Significant changes that affect the content of a MIPR must be processed as formal MIPR amendments using the **DD** Form 448 series. These

include changes in quantity, price, funds, NSN, part or drawing number, specification, delivery schedule(s), and engineering changes. When a MIPR acceptance document DD Form 448-2 reflects a delivery in the "Remarks" column different from that requested by the customer, the delivery schedule on the acceptance document shall be the official delivery schedule unless the customer processes a request for delivery schedule change within 30 days after receiving the acceptance document. If the customer accepts the new delivery schedule, the customer will make internal distribution of the acceptance document and no other formal MIPR amendment need be processed.

b. If an unforeseen situation develops that may impact the original MIPR acceptance delivery schedule, the SMCA shall immediately notify the customer. When provided, the revised DD Form 448-2 shall state specific reasons for the schedule change and indicate when the customer requirements may be satisfied. The revised DD Form 448-2 shall be prominently marked, "SCHEDULE CHANGE." If the SMCA does not receive **comments** from the customer rejecting the revised schedule within 30 days of receiving of the DD Form 448-2, the new schedule will be deemed acceptable. If **comments** are received, every effort shall be made by SMCA to resolve the differences.

c. No formal MIPR amendments are required for nontechnical, minor or administrative changes, such as shipping destination or clarifications of item description or component identities. The applicability, form (message, letter, ADP formats), specific handling, and distribution for these actions shall be as agreed between the SMCA and customer offices managing **MIPRs**. These actions will be linked to each MIPR and line item and sequentially **numbered** in a series separate from the formal amendments. They do not require acceptance, and they will not be acknowledged unless specifically requested. Priority instructions may be telephoned but must be confirmed immediately in writing.

d. If all or any part of the item requested in the MIPR is to be **cancelled**, the customer shall notify the SMCA and include the desired effective date of termination. The SMCA shall notify the customer of the quantity of items available for termination and the estimated termination costs. Upon receiving this information, the customer should determine the feasibility of termination and notify the SMCA as soon as possible. If termination is accomplished, the customer shall submit an amendment to the **MIPR** to complete the action. Contractually obligated funds may not be withdrawn until the termination is finalized. Funds may, however, be progressively reduced with the authorization of the SMCA. The SMCA shall **deobligate** reimbursable obligation immediately, adjust for any termination cost, and identify funds for withdrawal by revised MIPR acceptance.

10. **MIPR Reviews.** MIPR reviews shall be conducted between the customer and the SMCA. The reviews are normally scheduled semiannually by the SMCA but may be rescheduled by agreement of both agencies. The

reviews shall include the status of each program and as a minimum the following: funding, delivery/production schedules, current/anticipated problems, billing and payments, and program projections. The customer shall initiate and the SMCA will accept adjusting amendments agreed to in the reviews as near concurrent with the meeting as practical. Action agencies shall expedite all required processing actions. The **SMCA** and the customer will alternate hosting MIPR reviews whenever possible.

11. Billings

a. For new acquisitions, interfund billings showing constructive delivery shall be accomplished within 7 days after the item is issued from the **CAWCF** RIC location. Billings for both advance and progress payment requests are done by using an SF 1080, "Voucher for Transfers Between Appropriations and/or Funds," that has been authorized by DoD for **CAWCF** use. Advanced and progress billing shall be made by the **CAWCF** as required to finance work in process and shall be identified as such. Billing for services requested by customers, such as engineering studies, will briefly describe the costs for materials, services, and other expenses.

b. For orders delivered from stock and FY 81 and prior year orders, an SF 1080 billing showing constructive delivery **will** be accomplished within 30 days.

12. Central Points of Contact. The SMCA and each customer shall establish a central MIPR management office to act as the central management office on all **matters** relating to **MIPRs**. Many elements within the SMCA and customer organizations establish the decisions and courses of action on programs, funding, scheduling, billing, **deliv-eries, and** everyday problems. However, the MIPR management office shall act as the focal point for customer relations and necessary liaison. They shall transact all matters pertaining to **MIPRs** between the SMCA and the customer. Communications affecting **MIPRs** and amendments forwarded or received by the offices managing the **MIPRs** shall be considered official when coordinated between the customer and the **SMCA**.

13. Special Provisions

a. Quality Assurance Requirements. The customer must identify quality assurance requirements according to Chapter 5, Section B, Quality Assurance.

b. Security Requirements. The customer shall include specific physical or documentation security requirements in the MIPR when either is different from that normally applied to the item by the **SMCA**.

c. Safety Requirements. The customer shall provide specific safety requirements when different from those the SMCA normally applies to the item and for customer peculiar items on major component safety

data statements when the MIPR is initiated in accordance with Chapter 11.

d. Other Than Full and Open Competition. Should the customer desire the SMCA to initiate an acquisition that is other than full and open, the customer must provide the SMCA with the appropriate justification as required by DFAR 8.7006-3. This justification shall be provided concurrently with the **MIPR**.

E. SMALL QUANTITY-HIGH COST ORDERS

1. The SMCA will plan and execute the acquisition program to achieve the highest degree of efficiency and effectiveness consistent with customer delivery, quality, and reliability requirements, and maintenance of a viable production base consistent with the protection of domestic producers.

2. Customers **shall** have three options:

a. Have small quantity, high cost orders held by the SMCA for a maximum of 24 months for consolidation with other customer orders until an MPQ is accumulated.

b. Pay the premium price for the small quantity requirement providing the quantity can be acquired.

c. Buy the entire MPQ themselves.

3. In all cases the SMCA shall:

a. Provide the estimated delivery date and premium price for producing of the small quantity, high cost order provided the item can be acquired. The customer will provide the SMCA with any information necessary to support the procurement of SMCA assigned items, based upon any knowledge or experience the customer may have relative to contractors, prices, **MPQs**, etc.

b. Advise the customer when other customer orders are expected so as to accumulate a minimum acquisition quantity as well as estimated prices and delivery dates.

c. Advise the customer of alternate methods of satisfying the requirement, if there are any.

4. The SMCA shall provide customers information on small quantity, high cost orders according to procedures in Section B. and D. of this chapter.

F. CONVENTIONAL AMMUNITION WORKING CAPITAL FUND

The Conventional Ammunition Working Capital Fund (**CAWCF**) is a revolving fund. It is the financial mechanism through which HQ, AMCCOM, acquires all conventional ammunition and related items, including LAP.

1. Objectives of the CAWCF. The **CAWCF** is designed to:

a. Reduce ammunition costs by consolidating customer **requirements** into a minimum number of acquisition actions for economies of scale and reduced administrative costs.

b. Reduce the fluctuation of commodity prices between the budgeting and delivery phases of a program by establishing standard prices.

c. Minimize changes to production schedules.

d. Improve control over the use of industrial stocks.

e. Reduce the effect of inflation through accelerated or advanced acquisition of related components.

2. Who Operates the CAWCF. **AMCCOM** operates the **CAWCF**. The **AMCCOM** Production Directorate manages the program, industrial stocks, and budget for this fund.

3. CAWCF Procedures. The **CAWCF**:

a. Applies to **FY 82** and later conventional ammunition programs.

b. Governs the acquisition, accounting, stockage, control, and reporting of industrial components.

c. Extends through LAP, the acceptance, and transfer of ammunition to customer ownership.

4. Identifying and Pricing Industrial Stocks. All **CAWCF** centrally managed industrial stocks are assigned an NSN or management control number and a standard price.

5. Stability of Appropriation Documentation. Current Service appropriation budget documentation will not change.

6. Stock Withdrawal Credits (SWDC).

a. SWDC are the **dollar** value of Service owned assets capitalized on 1 October 1981 and shall NOT exceed the value of the initial capitalization of that Service's assets. SWDC were authorized for **FY 82 - FY 84** programs.

b. The DoD has eliminated SWDC for FY 85 and subsequent year programs. In FY 85 and subsequent years, all DoD Services will receive credit in the budget for industrial stock application.

c. The maintenance and application of SWDC by item restricted to the Service that owned the item originally is not an acceptable methodology and would be in conflict with the concept presented to DA/DoD and approved for the fund. Assets are managed and made available primarily through the CAWCF.

7. When Funds Are Committed. The Services shall commit procurement appropriation funds upon release to the CAWCF and obligate them upon receiving accepted MIPRs.

8. How the CAWCF is Funded. Cash sources for the CAWCF are progress and advanced billings against customer orders.

9. Return of Excess Funds. The CAWCF shall return excess funds in a timely manner.

10. Additional Capitalization of Industrial Stocks. The CAWCF may obtain noncapitalized materiel owned by the Services to support production through mutual agreement with the owning Service.

11. CAWCF Procedures

a. Capitalization of Industrial Stocks

(1) On October 1, 1981, all applicable industrial stocks owned by the Services on hand at GOGO/GOCO facilities and not identified for maintenance or renovation programs were capitalized into the CAWCF at prices effective that date. Materiel due in from HQ, AMCCOM, procurement account contracts were included in this action.

(2) The CAWCF provided each Service documentation to show what was-capitalized that satisfied Service accountability requirements.

(3) Each quarter, AMCCOM provides the Services a magnetic tape of the NSN Master Data Record, reflecting CAWCF materiel by GOGO/GOCO installations.

b. Budgeting

(1) Customers shall submit and the SMCA shall price shopping lists in accordance with Section B.

(2) The SMCA shall apply SWDC from capitalized industrial stocks to the extent that GFM from capitalized stocks can be applied by the SMCA to Service orders, but not to exceed the amount of credit the Service has remaining. Any excess credit is retained by the Service to

apply to out year budgets, subject to continuation of its credit program by Department of Defense.

(a) FY 81 and prior year orders, for all industrial stocks committed, on order, or charged as of 30 September 1981.

(b) FY82, to the extent that GFM is identified in their budget or requests for price and availability.

(c) FY 83 and FY 84, to the extent that GFM from SMCA capital ized stocks can be applied by the SMCA to Service orders, but not to exceed the amount of credit the Service has remaining.

c. Acquisition of Industrial Stocks

(1) The CAWCF, if authorized to use contract authority, will preacquisition industrial stocks in support of planned production before receiving funded MIPRs. The decision to preacquisition shall be based on the level of risk each Service assigns to its own MIPRs. If stocks are not preacquisitioned, the SMCA shall obtain them only after receiving of funded MIPRs or through authorized returns from field activities.

(2) Services may have stocks in their accounts to support maintenance or renovation activities that the SMCA needs for production. If the owning Service agrees to provide these stocks to the SMCA to support production, the SMCA shall obtain the material through normal requisition procedures.

d. Use of Industrial Stocks

(1) The SMCA shall use the capitalized industrial stocks to support the production of ammunition for all Services subject to waivers and deviations to the component lots. The SMCA is responsible for ensuring compliance with these restrictions.

(2) Services may buy industrial stock from the CAWCF at the standard price for use in maintenance, renovation, or non-SMCA manufacturing programs.

(3) The CAWCF will retain all residual stocks resulting from FY 82 and out year programs for possible use in future production.

e. End Item Ownership. End items shall remain under the ownership of the CAWCF until they have been accepted. Once an end item has been produced and accepted, the SMCA (AMCCOM Defense Ammunition Directorate, AMSMC-DS ((R))) shall allocate the materiel to the customer in accordance with established procedures.

G. FABRICATION OF DEVELOPMENTAL AMMUNITION

1. General Policies for Fabrication of Developmental Ammunition

a. The SMCA **shall** fabricate developmental ammunition to support RDT&E when the customer requests it and with the resources the customer provides.

b. The Military Services retain responsibility for the RDT&E of ammunition **developed by** them through LRIP, including test and evaluation of any developmental munitions fabricated by the **SMCA**.

c. The SMCA shall apply the standard product and quality assurance operating measures when acquiring developmental ammunition unless the customer cites special provisions on the MIPR or other work load documents.

d. The **SMCA** shall **command**, manage, and control the SMCA ammunition production base.

e. The SMCA contracting officers shall place the scopes of work and subsequent changes on the SMCA plants. To maintain technical supervision, the customer may, after coordination with the **SMCA**, interact directly with the plant.

2. Developmental Ammunition Fabrication Procedures

a. Before placing a fabrication order, the customer **shall notify** the **SMCA** of the requirement, providing as a minimum:

(1) A physical description of the item so the SMCA can determine the applicability of production processes.

(2) The priority, order size, required production schedule, and delivery dates to compare with current acquisition plans.

(3) A description of the technical data **available** for the requirement and date of availability of the scope of work or data package.

(4) An item specification or quality assurance provision in the scope of work specifying the inspection and acceptance requirements if the SMCA is to perform acceptance.

(5) Fabrication order funding.

(6) Any plans for breakout of components and subsystems for acquisition.

b. The SMCA and customer representatives **shall** meet as necessary to clarify and interpret the data provided under paragraph **G.2.a.**, above, and assess the **SMCA's** capability to meet the requirement.

c. The SMCA shall assess capability to meet the requirement no later than 30 days after receiving the data specified in paragraph **G.2.a.**, above.

d. The SMCA shall report on MIPR performance according to Section D., above, unless otherwise mutually agreed to during the requirement assessment stage.